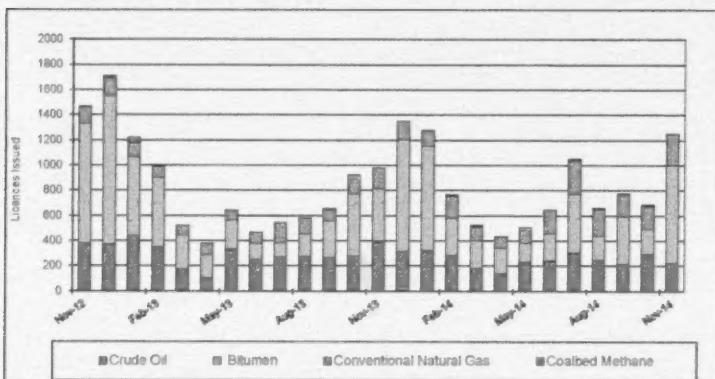


# December 2014 Industry Activity Report

## Monthly Well Licences



The Alberta Energy Regulator issued 1,253 well licences in November, up 28% from the 977 issued in November 2013.

There were 220 licences issued for crude oil in November, down 45% from the 398 crude oil licences issued in November 2013.

85% of the crude oil licences issued in November were for horizontal wells, unchanged from this time last year.

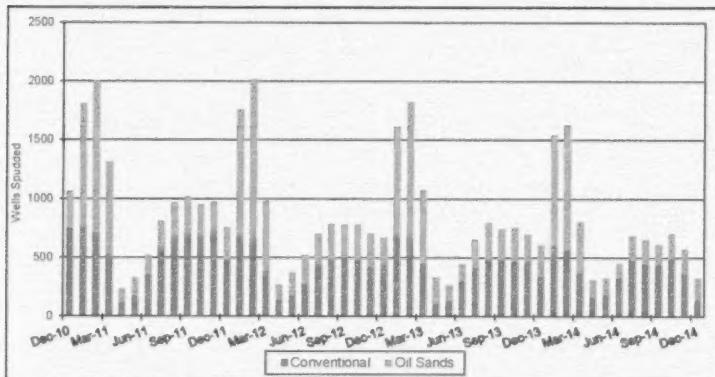
There were 250 natural gas well licenses (excluding CBM) issued in November 2014, 52% higher than the 164 licences reported last November.

81% of natural gas well licenses issued in November were for horizontal wells, up from 70% from the same period last year.

Licenced Wells	November		Total Licences	Per cent of Total Licences
	Drilling Type			
Natural Gas	Horizontal	203	203	20%
	Vertical/Direct	47		
Coal Bed Methane	Horizontal	-		
	Vertical/Direct	-		
Crude Oil	Horizontal	188	188	18%
	Vertical/Direct	32		
Bitumen	Horizontal	45	45	
	Vertical/Direct	163	163	62%
	Evaluation	575		
<b>Total</b>		<b>1253</b>		<b>100%</b>

Source: Alberta Energy Regulator

## Alberta Wells Spudded (estimates)

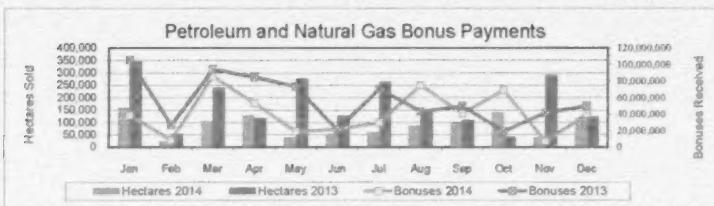


The Alberta Energy Regulator reported 8,687 spuds in 2014, down 12% from the 9,868 spuds reported in 2013.

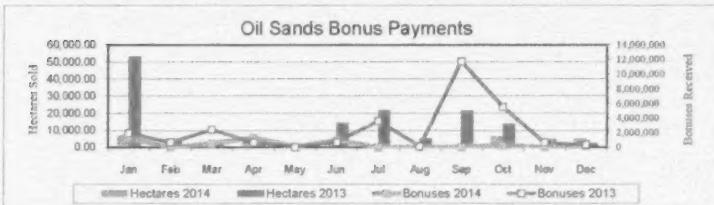
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	920	871	285	66	143	316	716	672	484	786	871	751	6,881
2011	697	1007	308	97	73	106	179	206	167	218	242	314	3,614
2012	761	714	530	120	179	356	588	690	703	682	732	485	6,540
2013	1051	1289	788	121	155	169	224	277	316	273	242	272	5,177
2014	683	660	389	144	181	278	439	493	504	486	423	442	5,122
2015	1080	1362	591	132	194	241	265	292	280	296	284	229	5,246
2016	685	672	451	110	134	299	417	486	486	477	469	348	5,034
2017	931	1154	628	229	135	153	237	315	261	287	236	268	4,834
2018	614	565	376	170	187	333	485	453	442	488	367	141	4,621
2019	935	1065	434	147	146	122	209	204	178	222	212	192	4,066

Source: Alberta Energy Regulator

## Petroleum & Natural Gas & Oil Sands Land Sales



Land sale revenue in 2014 totalled \$494 million (\$453.45/hectare). This year's earnings were down 30% from last year's \$708 million (\$308.91/hectare)

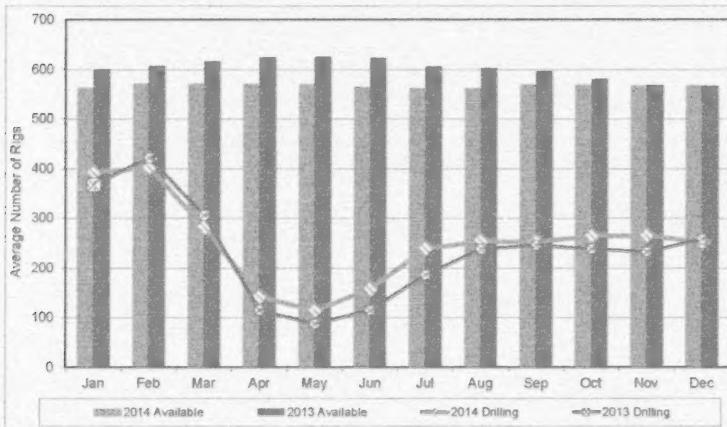


Petroleum and Natural Gas Rights	Dec-14	Dec-13	YTD 2014	YTD 2013
Bonuses	\$40,163,909.49	\$50,220,838.97	\$489,378,151.05	\$679,551,589.23
Hectares	119478.10	123216.00	1058477.62	2144317.36
Average Price per Hectare (Cdn\$)	\$336.16	\$407.58	\$462.34	\$316.91

Oil Sands Rights	Dec-14	Dec-13	YTD 2014	YTD 2013
Bonuses	\$157,568.00	\$363,259.52	\$4,663,614.30	\$28,195,948.34
Hectares	4864.00	2368.00	31039.20	146814.32
Average Price per Hectare (Cdn\$)	\$32.39	\$153.40	\$150.25	\$192.05

Source: Alberta Energy

## Alberta Rig Activity

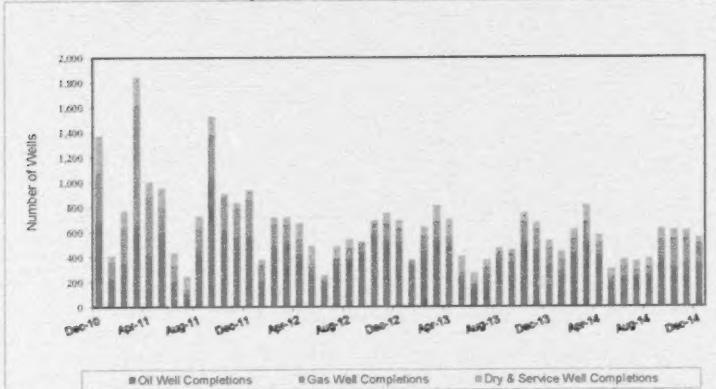


In 2014, fleet utilization of Alberta's 567 rigs averaged 44%, and the active rig count was 252. Fleet utilization in 2013 averaged 39% with 235 rigs working from an average fleet size of 600 rigs.

December	Drilling	Down Available	Rig Util. Dec-14	Rig Util. Dec-13
Alberta	252	315	44%	46%
Saskatchewan	43	100	30%	44%
British Columbia	46	24	66%	73%
Northwest Territories				
Manitoba	11	13	46%	39%
Canada	353	454	44%	48%

Source: Canadian Association of Oilwell Drilling Contractors

## Alberta Well Completions



Industry reported 6,304 well completions in 2014, down 2% from last year's 6,408 completions.

Compared to 2013, this year's oil well completions were down 12% while gas well completions were up 34%.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
2010	Oil Wells	253	144	397	198	400	126	131	168	357	402	999	676	4,251
2011	Gas Wells	324	308	632	418	462	117	110	135	638	461	847	403	4,855
2012	Dry & Service	62	79	141	6	51	41	26	43	59	46	169	294	1,017
2013	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
2014	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2010	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
2011	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	1,210
2012	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
2014	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2010	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	3,980
2011	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	1,498
2012	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	826

Source: Daily Oil Bulletin, Nickle's Energy, Information, and Technology

For further information, visit [www.nickles.com](http://www.nickles.com)